

# Sprinklered property solutions for industrial risks

For more than 50 years, Hanover Specialty Industrial Property (HSIP) has been underwriting sprinklered property coverage for businesses that manufacture, blend, distribute, warehouse or transport a wide array of high-hazard products and materials, from chemicals and lessor's risk to plastics and wood products, and everything in between. While most standard market carriers avoid or approach this business with caution, we've made complex industrial property our sole focus. Our entire team is focused on creating tailored protection plans that address each business's unique risks while delivering a higher level of service and attention.

## Product offering

The HSIP offering was specially designed to be a reliable, admitted solution for businesses of all sizes with known sprinkler deficiencies or unique risk characteristics that require increased protection due to high fire loads or potentially volatile manufacturing processes. Key property coverage characteristics include:

- \$100M per location capacity (ability to accommodate larger accounts on a case-by-case basis)
- Coverage for "all risks" of direct physical loss or damage
- Property coverage valued at replacement cost
- No coinsurance (agreed amount)
- Contaminated debris removal included as part of the building and personal property limit without a separate debris removal sublimit
- Combined single deductible for property damage and business interruption
- Coverage for foundations, slabs and underground piping
- Business income form includes extra expense and rental value
- Finished goods manufactured by the insured valued at selling price



- Earthquake sprinkler leakage provided as an additional covered peril within the policy limits at no additional cost
- Equipment breakdown offering includes microelectronics coverage
- Broadening endorsement that extends 14 coverages and adds 18 coverages

In addition, The Hanover offers commercial and specialized products that offer enhanced protection and enable total account solutions, such as:

- Builder's risk
- Motor truck cargo
- Commercial auto
- Ocean cargo
- Contractor's equipment
- Pollution liability
- General liability

## Unique approach for unique risks

Our customized approach begins with a comprehensive review of property exposures via phone survey with a senior loss control engineer. This provides our underwriters and property engineers with an intimate understanding of each risk, allowing them to draw on their expertise to make reasonable and helpful program recommendations. Throughout the life of the policy, our property engineers are available to provide personalized services such as inspections, sprinkler test reviews, new building or system upgrade specifications reviews and more, to help minimize risk.

## The Hanover difference

Drawing on exceptional industry knowledge and expertise, we offer flexible, targeted insurance solutions that add value.

- Stability of a company with 50+ years of experience and commitment to complex industrial property risks
- Admitted, standard market solution with The Hanover's "A" rated XIV admitted paper
- Financial strength including an "A" rating (Excellent) by A.M. Best Company, Moody's and Standard & Poor's
- Best-in-class underwriters and property engineers who have deep and meaningful knowledge of complex manufacturing processes and stay current on changes to National Fire Protection Association (NFPA) codes through active NFPA committee participation
- Total account solutions through the coordinated placement of other lines with other Hanover business units
- Experienced claims team that understands the complexities of industrial property claims, and is deeply committed to delivering responsive and personalized service

## Let's build something together

We've got the blueprint for competitive industrial property insurance solutions. For more information, contact your Hanover representative.



**The Hanover Insurance Company**  
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The Agency Place (TAP)—<https://tap.hanover.com>

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# Hanover Specialty industrial property appetite

## TARGET CLASSES



- Adhesives
- Aerosols
- Auto parts
- Battery manufacturing
- Boat manufacturing
- Building owner — lessors risk
- Cabinet manufacturing
- Candle manufacturing
- Chemicals
- Coatings
- Composites
- Corrugated box manufacturing
- Cosmetics
- Cutting
- Distilleries
- Electroplating
- Equipment/assembly
- Explosives
- Fertilizer manufacturing
- Fiberglass
- Firearms
- Fireworks storage
- Foam and foam rubber
- Food additives
- Food processing — spray drying
- Furniture manufacturing
- Heat treating
- Janitorial supplies
- Labs
- Laminating
- Lubricants
- Machine shops
- Matches
- Mattress manufacturing
- Ordnance/munitions
- Paper products
- Pesticides
- Pharmaceuticals/neutraceuticals
- Plastic manufacturing — all types
- Printing
- Resins
- Rubber manufacturing — all types
- Shoe manufacturing
- Solvents
- Sporting goods manufacturing
- Synthetic oil packaging
- Textiles — standard and impregnated
- Tire distribution and re-capping — various
- Volatile metals manufacturing and processing — titanium, nickel, etc.
- Warehousing
- Wood products

## NOT IN APPETITE

- Biofuels
- Habitational
- Recycling
- Vacant buildings

The  
**Hanover**  
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▶ *Hanover Specialty Industrial Property*

# Lessor's Risk insurance for industrial real estate.

Clients that rent or lease commercial space to tenants face a variety of industry challenges depending on the type of business their tenants are engaged in. Many carriers will shy away from properties where tenants engage in higher-hazard operations such as manufacturing, blending and processing, or store merchandise considered hazardous due to its combustibility or high fire load, such as chemicals, paper goods, tires or mattresses.

Additionally, some carriers can't provide the necessary capacity for higher-value buildings. That's where Hanover Specialty Industrial Property (HSIP) comes in. For nearly 50 years, HSIP's engineering-driven approach to loss control and fluid underwriting model has enabled us to skillfully assess complex risks and respond very quickly to Lessor's Risk opportunities

that require immediate turnaround.

For multi-location schedules, we're able to carve out select locations to preserve optimum pricing on the broader schedule.

## Who We Target

HSIP can assist you with providing Lessor's Risk property insurance for a variety of sprinklered properties, including:

- Older, multi-tenant, multi-story buildings
- Mill buildings
- Buildings with sprinkler systems deemed inadequate by the carrier or ISO
- Industrial flex space with a higher-hazard tenant
- Reduced occupancy (33% minimum occupied)
- Extra-large roofs or building footprints

## Product Overview

- Admitted form with a \$10,000 minimum premium
- Per location capacity to \$100,000,000+
- Flexible valuation options include Replacement Cost, Actual Cash Value, or Functional Replacement Cost

*continued* ▶

## HSIP Advantages

- A consistent appetite and commitment to tough industrial risks through all market cycles
- Our consistent appetite offers carrier stability when there are changes in tenants

- Phone survey instead of a physical inspection allows us to be very responsive to opportunities that require immediate turnaround
- Phone surveys are performed by Loss Control Engineers with years of field experience, who are also able to offer guidance on the suitability of the facility when considering tenants' operations and exposures
- For LRO buildings that lack sprinkler protection, we offer our No Sprinklers, No Problem program



## Opportunities are everywhere. Let's get started!

For more information, contact your local  
HSI representative or visit [hanover.com/  
specialtyindustrial](https://hanover.com/specialtyindustrial)

### Why The Hanover?

The Hanover is a leading property and casualty insurance company dedicated to achieving world-class performance. Our commitment is to deliver the products, services, and technology offered by the best national companies with the responsiveness, market focus, and local decision making of the best regional companies. This powerful combination has been a proven success since our founding in 1852, and all insurance company subsidiaries are rated "A" (Excellent) by A.M. Best Company.

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